



**Anchorage Chamber of Commerce
Board of Directors
Resolution 2005/06-20
In support of the New Petroleum Production Tax
Proposed by the State of Alaska's Administration**

WHEREAS, the Anchorage Chamber of Commerce supports and encourages economic development and has been on record for many years supporting a fiscal plan for the State of Alaska; and

WHEREAS, the oil and gas industry currently provides 80-90 percent of the State's general revenue; and

WHEREAS, gas development in Alaska is dependent on a healthy Alaska oil industry; and

WHEREAS, to achieve the Alaska Department of Revenue's production forecast, industry investment needs to at least double to an annual level of \$2-\$3 billion; and

WHEREAS, the Cook Inlet natural gas industry supplies energy to 67% of Alaskans, and any proposed petroleum production tax needs to recognize and avoid the negative consequences to consumer energy; and

WHEREAS, a new petroleum production tax has been proposed by the Administration to replace the Economic Limit Factor (ELF); and

WHEREAS, an effective, petroleum production tax should accomplish several goals including:

- a. shifting to the worldwide standard of a production profits tax structure is expected to generate increased revenue for the state of Alaska;
- b. providing a basis for fiscal stability for the oil and gas industry thereby encouraging gas pipeline construction;
- c. addressing the interests of both large and small producers;
- d. encouraging investment in technology and infrastructure to maximize North Slope oil production;
- e. creating an environment that encourages exploration and development of all of Alaska's oil and gas resource base;
- f. stirring economic development which, in turn, will provide new jobs and new business opportunities;

NOW THEREFORE BE IT RESOLVED, that the Board of Directors of the Anchorage Chamber of Commerce supports the new petroleum production tax as it was originally presented to the Alaska Legislature, with the caveat that the proposal be amended to protect against any adverse consequences to the existing Cook Inlet tax structure,

AND BE IT FURTHER RESOLVED that copies of this resolution be sent to The Honorable Senators Stevens and Murkowski, and Representative Young, and other members of U.S. Congress, Governor Frank Murkowski, the Alaska Legislature, the Anchorage Chamber membership, the Anchorage Chamber State/National Affairs Committee, statewide media, the Alaska State Chamber of Commerce, Resource Development Council, Alaska Oil & Gas Association, The Alaska Support Industry Alliance, Chambers of Commerce Statewide, and Commonwealth North.

Approved the 7th Day of April 2006

A handwritten signature in cursive script that reads "Mary Ann Pease".

Mary Ann Pease, 2005-2006 Chair

A handwritten signature in cursive script that reads "Stacy Schubert".

Stacy Schubert, President